*Tells the Facts and Names the Names*

# CounterPunch

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# Nike's New Wage Scam

On March 19, Nike gave itself a clap on the back and announced that it was increasing the pay of its Indonesian shoe factory workers by six per cent, to more than 256,000 rupiahs per month. With all those zeroes, the new numbers sound impressive and the move was adoringly recounted in numerous press reports. Even more astonishing to anti-sweatshop organizers was Nike's somewhat damning boast that it was now paying its Indonesian shoe workers "a living wage". To back up this claim, Nike cites a study by what had been one of its chief critics, the San Francisco-based Global Exchange.

Having closely covered Nike's labor practices for the past few years, we here at CounterPunch were stunned by the news. This didn't sound at all like the Phil Knight we had come to know and revile. Has the company turned really over a new leaf? We called Global Exchange to quiz this odd new flack for Nike.

"What's really encouraging is that this company is making an effort to do something to treat its workers fairly and humanely", Jason Marks, Global Exchange's communications director, told us smoothly.

But when we translate those rupiahs to US dollars, what do we find? The vaunted pay increase amounts to about a penny an hour. Nike's conception—based on the Global Exchange report—of a living wage in Indonesia is about $6.07 a week or a little more than $315 per year. That's almost enough money to buy three pairs of Nike basketball shoes.

Is $1.20 day a living wage? Again, we put the question to Global Exchange. "You could certainly live on that if you were a single young woman", Marks told us. But he did concede that $26 a month probably wouldn't support a family. "Older workers and workers with families will need more", Marks admitted. "The move is encouraging, but Nike's still got a ways to go." Global Exchange is backpedaling on its own standards. Last May, the group's executive director, Medea Benjamin, told the New York Times "a sweatshop is a sweatshop is as a sweatshop unless you pay a living wage. That would be $3 a day".

Over the past two years, the Indonesian economy has been in a tailspin, ravaged by hyper-inflation and currency devaluation. The afflictions of the rupiah have combined to erode Indonesian workers' pay by more than 70 percent. So even with the incremental wage increase to 15 cents an hour, Nike shoe factory workers will be making about half as much money as they did two years ago. Indeed, even under the most optimistic scenario Nike's workers will see their real wages continue to be eaten away by Indonesia's roaring inflation rate.

The pay boost doesn't take much of a bite out of Nike's bottom line. The average retail price of a new pair of Nike basketball shoes (none of which are made in the United States) is $90. But the direct labor costs are about than $1.20 per shoe or less than 1.5 per cent. The devaluation of the rupiah certainly aided Nike, as well, saving the company an estimated $40 million in labor costs. The company's third-quarter profits rose by 70 percent, to $124 million on sales of nearly $2.2 billion.

Increasingly, Nike is getting better press coverage, including public pats-on-the-back from some of its critics. "Nike's improvements can be used to prod other companies, like Reebok and Adidas", Marks told us. "Any positive move by Nike is big for the entire industry."

Jeffrey Ballinger, of Press for Change and Nike's most experienced and trenchant critic, is skeptical. "Nike hasn't trans-

(**Nike** *continued on page 6)*

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# Our Little Secret

## Incubator Babies II

As the US stepped up its bombing raids against Yugoslavia, Harold Koh, assistant secretary of state for democracy, human rights and labor, called the leaders of several US human rights groups to a hastily arranged meeting at his offices in Foggy Bottom. Koh started the session by telling the groups' leaders, who included Amnesty International-USA's head Dr. William Schulz, that he was sorry that the administration could not support the extradition of Pinochet. He stressed that while Madeleine Albright cared deeply about human rights matters, the Defense Department had quashed the idea. But, Koh said, there was good news. Albright had convinced the Defense Department and Clinton that human rights concerns should be the driving force behind the bombing of the Serbs. Koh said he hoped the human rights groups would enthusiastically support the mission and promised that if they did, Albright might even meet with them in person in the near future.

Amnesty International has obediently hopped to State's tune, saying in a press release "violations of human rights lie at the heart of the current conflict in Kosovo, and have done so ever since it developed during the 1980s. It is therefore essential that the effective protection and promotion of human rights should be the centerpiece of any agreement to be reached on Kosovo." On March 29, the group called for increases in military intelligence operations on the ground in Kosovo. Human Rights Watch has also pressed the cause of military intervention, using their Kosovo Human Rights Flash to draw attention to Serbian abuses. After a week of unrelenting missile attacks in Yugoslavia and Kosovo, none of the Human Rights Watch reports included any tallies of civilian casualties from the NATO bombings. Care Yugoslavia, an Australian humanitarian aide group, said that over the first week, NATO bombing raids had killed at least 15 ethnic Kosovars, when its bombs hit a refugee camp

**This is a war most earnestly supported by liberals and many so-called leftists.**

A person who attended the meeting tells CounterPunch he was shocked that many of the leaders endorsed Koh's rationale. "Human rights is just another affinity cause to be used by Clinton and Albright when it suits them, rather than consistently and broadly". he said. "Indeed, human rights concerns could be used as an excuse for extra-legal military actions that bypass the security council and/or Congress."

Readers may recall that one particularly successful propaganda campaign against Iraq saw US government operatives using Amnesty International to advance the false and easily disprovable story that Iraqis had murdered over 300 Kuwaiti babies in August, 1990, by tossing them out of their incubators and letting them die on the floor. It's not at issue here whether or not Iraqi or Serb forces are brutal. It's a matter of how human rights organizations willingly become instruments of state policy. Somalia offers a particularly vivid example of this.

## NATO, Sig Heil!

It's bracing to see the Germans taking part in NATO's bombing. It lends moral tone to an operation to have the grandsons of the Third Reich willing, able and eager, to drop high explosive again, in this instance on the Serbs. To add symmetry to the affair, the last time Serbs in Belgrade had high explosives dropped on them was in 1941 by the sons of the Third Reich. To bring even deeper symmetry, the German political party whose leader, Schroeder, ordered German participation in the bombing is that of the Social Democrats, whose great grand-fathers enthusiastically voted credits to wage war in 1914, to the enormous disgust of Lenin, who never felt quite the same way about social democrats ever after. Whether in Germany or England or France all social democratic parties in 1914 tossed aside previous pledges against war, thus helping produce the first great bloodletting of our century. Today, with social democrats leading governments across Europe—Schroeder, Blair, Jospin, Prodi—all fall in behind Clinton. This is, largely, a war most earnestly supported by liberals and many so-called leftists.

There's been some patronizing talk here about the Serbs' deep sense of "grievance" at the way history has treated them, with the implication that the Serbs are irrational in this regard. But it's scarcely irrational to remember that Nazi Germany bombed Belgrade in the Second World War, or that Germany's prime ally in the region, Croatia, ran a concentration camp at Jasenovac where tens of thousands of Serbs — along with Jews and gypsies — were liquidated. Nor is it irrational to recall that Germany in more recent years has been an unrelenting assailant of the former Yugoslav federation, encouraging Slovenia to secede and lending determined support to Croatia, in gratitude for which Croatia adopted, on independence in 1991, the German hymn, "Danke Deutschland".

So much for Serb feelings about Germany. Serbia has some reason to feel similar resentment towards the United States. The biggest single ethnic cleansing of the mid-1990s in the former Yugoslavia was conducted by Croatia under the supervision of the United States, whose military generals and CIA officers issued targeting instructions to Croatian artillery for the ethnic clearing. The targets were Serbs, living in Serbian territory, in the Krajina. Heading the Croatian cleansers was president Franjo Tudjman, who has rehabbed Nazi war criminals. Yet somehow it is Serbia's Milosevic who is demonized here as Hitler.

In 1999 Bill Clinton more or less left the UN's secretary general, Kofi Annan, to find out from CNN about NATO's decision to bomb. The US game, abetted chiefly by Blair's UK, is to make NATO the arbiter of Europe's borders and "secu-

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rity", and to boycott the UN as a forum.

The twentieth-century illusion of air power is once again being exposed. Now come demands for ground troops and a route march into deeper madness, wider killing and misery. The only chance is rising protest from Americans, from the world community, from dissident countries in NATO with calls for a cease-fire and a genuine, UN peace-keeping force in Kosovo with no troops from the contending parties and their allies. Absent that, why not a drive for impeachment of Bill Clinton, on serious grounds at last, for abusing Congress's war-making powers and also his sworn duty to uphold the international treaties to which the US has set its name.

## "WHAT ABOUT CHILE?"

We're glad to say that both of the women who protested Henry (who-does-not-steal-vases) Kissinger's reading at Barnes & Noble in Union Square, Manhattan, in mid-March. are associated with CounterPunch. JoAnn Wypijewski, CounterPunch writer and also senior Nation editor, tells us that she went along with Deborah Thomas, designer of CounterPunch and also publisher of Extra, the excellent bulletin put out by FAIR. There were protesters outside, JoAnn recounts, but sadly no organizer had salted the respectable throng inside with demonstrators.

Finally, as Kissinger droned on about morality in foreign policy, JoAnn could stand it no more and shouted out, "How can you talk about morality? What about Cambodia! What about Chile!" A guard quickly escorted her out. Deborah, who had been leaving, heard JoAnn's voice and dashed back, shouting "War criminal!" She too was expelled and Kissinger resumed his discourse. We're told, incidentally, that Kissinger is quite capable of talking in a reasonably smooth American accent, but has retained the gutteral German accent for dramatic value. Someone at a seminar on foreign policy some years ago, attended by sundry Euro-bigwigs, heard Kissinger talk and noted the difference in diction.

## FROM OUR READERS

● CounterPunch reader Lance Howell sends us the following account of US border guards' harassment of black motorists: "A few years ago I was coming across the Canadian border with a load of lumber. As I walked into the office to get a paper stamped that would allow me to get a of refund of my British Columbia sales tax, I passed a Mercedes with California plates with its trunk open. Sticking out of the trunk was a customs official's ass, rummaging through the car. Inside the customs office were a couple of well dressed black men, who complained bitterly about the search. After they were allowed to continue on into the States, the customs official came in and said, "I think they really were real estate dealers".

● The Orioles may go to Havana, but the war goes on. Elaine Broadhead, a zealous CounterPuncher in Washington, DC, reports that Charlie Adler, head of Tasting Society International, was going to have a tasting at the Cuban Interest section in DC, when the US Treasury Department called him up to say no. Charlie was ready to

**"War Criminal!" CounterPunch women heckle Henry Kissinger.**

shine on the T-men, even though he wouldn't have been able to serve Cuban rum, but Treasury then forced the Cubans to cancel the event "for fear of violence".

● Workers at Powell's, the big bookstore in Portland, Oregon, are trying to organize and the ILWU is helping them. They ask CounterPunchers to write to owner Michael Powell to tell him respectfully to refrain from anti-union campaigning. Reach him at 1005 W Burnside, Portland, OR 97209. Send a copy of your letter to the Powell's Organizing Committee at 2435 NW Front Ave., Portland, OR 97209.

● Yes, we're bug-eyed too. From New York, Mark Lazard sends us a clip from the New York Daily News, about a new species of mouse that appeared in Seveso, northern Italy. Seveso, wasn't that where...? Yes, it was indeed where there was one of the worst incidents of chemical pollution in recent European history. The nearest the News' reporter got to that episode was a sentence in the twentieth paragraph, acknowledging that the mutant "Seveso mice live on a piece of land that was cleared beginning in 1977 after a factory accident". No other connection, on the topic of possible mutation as a result of the Seveso disaster, is made.

● And CounterPuncher John Briggs writes to us about the caption to Paul Conrad's cartoon about bipartisanship we printed a few weeks ago, where we wrote that the drawing—an elephant mounting a donkey—"tells it all" about bipartisanship. "It would indeed tell it all," John comments, "if it showed a hybrid animal shafting the American worker. The Conrad cartoon only confuses." Over to you, Paul. Another cartoon?

## PICK THE WARMONGER

A quiz: Which US rep said: "At this point I support the NATO sponsored airstrikes that are currently taking place." And which US rep said: "This is not a proud moment for America...as bad as the violence is towards the ethnic Albanians in Kosovo, our ability to police and stop all ethnic fighting around the world is quite limited, and the efforts are quite simply not permitted under constitutional law."Yes, the first is from the brass-lunged armchair bomber of Vermont, Bernard Sanders and the second from Ron Paul, libertarian from Texas. How long will the long-suffering progressives of Vermont tolerate their hypocritical rep without rebuke?

## PACIFICA STRIKES AGAIN

The Pacifica Foundation has once again moved to cleanse itself of critical voices. This time it was Nicole Sawaya, the popular general manager of its Berkeley station KPFA, who was given the sack by Pacifica Executive Director Lynn Chadwick on March 31, the last day of Sawaya's probationary contract.

In more than a year on the job, Sawaya had restored staff morale, which had badly eroded under her predecessor Marci Lockwood, and had challenged the Pacifica hierarchy by supporting Larry Bensky when he violated the network's on-air gag rule. Chadwick reportedly told one large contributor to the station that Sawaya had been let go because she was "incompatible" with Pacifica. Apparently what made Sawaya incompatible was her willingness to share her problems in dealing with Pacifica and Chadwick with the station's advisory board, an entirely appropriate communication.

And on the topic of Pacifca, we were saddened to hear of the fatal heart attack of WBAI's station manager Samori Marksman. Samori was a terrific fellow and held WBAI together against Pacifica's onslaughts. Guyana's president Janet Jagan suspended a cabinet meeting to mourn his death. How unfair life is. Samori drops dead at 51, and He-Who-Does-Not-Steal-Vases survives, though his arteries are clogged with the residues of 10,000 banquets and 10,000 uncutous toasts to monsters. ■

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*Disasters As Normalcy*

# Chevron's Big Bang

In the Bay Area in California the Chevron refinery is, naturally, in the poor part of the Contra Costa county. The nearest your average middle-class person gets to Richmond is on Highway 580 or Interstate 80, rolling up towards Sacramento or Marin County. The town of Richmond lies east across the Bay from the sad bulk of San Quentin prison, with a largely black population of around 100,000 whose grandfathers and grandmothers were mustered back in World War Two from the southern states to work in the Kaiser shipyards. These days the shipyards are long gone. Unemployment is sky high. There are all the usual scars: drugs, people with nowhere to live, hunger.

The Chevron refinery sits on the end of Richmond, several hundred acres of tanks and pipe. You can see it from almost any front porch in town. The smell is always there, a chemical stink that's so thick that people say it sits like a lifetime weight on their chests. Breathing problems are a curse found in almost every family, most particularly among the very young and the old. All in all, Richmond offers as stark a parable of environmental injustice as you can find anywhere in America. And of course, the town is no stranger to the ratcheting up of "normalcy" - stink, grit, industrial filth, clogged lungs, to the official status of "accident". Since 1989 there have been 29 serious "incidents" at refineries in Contra Costa County. A few weeks before the Chevron blast, a fire at the Tosco Refinery in Martinez, 25 miles to the east of Richmond, killed four workers.

The Chevron explosion came on March 25. At 2:28 pm in the afternoon there was a huge bang. People closest to the refinery later described it to us as sounding as though a Mack truck had crashed into their house, which is indeed what some of them thought had happened. A column of thick, acrid, foul-smelling smoke rose high in the air, cloaked the refinery and then began to drift slowly to the southeast. We talked to workers from the Santa Fe Railroad whose site borders the refinery. Will Taylor, a man in his 40s, described how instant waves of nausea brought him and his co-workers to their knees, retching and gasping for breath. "My eyes burned. My nose ran. With each breath I got sick to my stomach." A strong chemical taste stayed in his mouth and he felt poorly for days.

The blast came exactly at the moment kids in the area were being let out of school. Teachers rushed them back in, but already many of them were sick and terrified. Eight miles from the Chevron refinery is Spectrum School, for seriously disabled children, whose back fence separates it from the Unocal refinery. Richmond's parents say caustically that it's no accident they should have such a school. Many babies in the county are born with serious impairments. We were told by one mother that her daughter, who goes to Spectrum, had the familiar range of reactions after the explosion, diarrhea, nausea, compounded with the terror and disorientation of an autistic child.

**All in all, Richmond offers as stark a parable of environmental injustice as you can find.**

By six o'clock that Thursday evening, radio stations were reporting Chevron's statement that a pipe had burst and fuel had ignited; that there was no perils from the cloud that by now had drifted down across Berkeley. From mid-afternoon, roads south like 880, were heavily clogged. There were no buses or BART trains running. The emergency warning system, set up in 1995 after wearisome negotiations with the refineries, did not work well.

Around Doctor's Hospital and Kaiser Richmond, tents were put up in parking lots to shelter the flood of frightened and vomiting residents. There were throngs of crying children and teary-eyed coughing adults often doubled over. Up and down the corridors one could hear people complaining loudly about the lack of warning and lack of treatment. Staffers at these hospitals weren't so friendly either, often saying flat-out, "these people are malingerers".

It became clear to us that the sickness was not something that passed within a few hours of the black plume. Four days later, CounterPunch met with scores of families where people were still sick, and inhalers were being freely passed out by the hospitals. We saw people retching, red eyed and teary. We heard descriptions of babies vomiting and crying all day.

The fire was put out early Sunday morning. By Monday there were rumors in Richmond that Chevron was handing out $500 in cash to people in exchange for a written promise not to file a lawsuit. By Tuesday, we heard that Chevron was threatening contract workers that if they became party to any suit, they would never work in the refinery again. When it comes to jobs Chevron is one of the very few games in town.

On March 30 Michael Meadows, an attorney based in Contra Costa County, filed suit on behalf of Richmond residents. The case could go on for years, as happened with a similar suit against Unocal that Meadows handled. Meanwhile, lobbyists for Chevron, Unocal and the others will continue to press for statutory limits on such damage and class action suits. "Normalcy" - in other words, high rates of disease, unemployment, poverty and crime - will continue in Richmond.

But there are also hopeful signs. Across the years there's been some dedicated organizing. In this context the key grassroots outfit is Community For a Better Environment, whose Henry Clark and Cynthia Jordan, among others, have established such imaginative strategies as "bucket brigades" where the locals regularly capture samples of air quality in plastic bags which are then sent to a lab for analysis.

Upcoming is a blending of several issues. North Richmond's Neighborhood House and local churches are planning town meetings to educate and agitate on the issue of the refineries and also on a suit against the CIA launched by Oakland attornies William Simpich and Katya Komisaruk on the issue of the CIA's complicity in the import and sale of crack cocaine into Richmond and other west coast communities in the 1980s.

And, yes, within hours of the bang, gas prices in the Bay Area began to climb. ■

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*Slipped BZ and Jolted with Electroshock*

# Did the CIA Poison Robeson?

Paul Robeson, the black actor, singer, and political radical, may have been a victim of CIA chemist Sidney Gottlieb's MK-ULTRA program. In our last issue we noted Gottlieb's death and outlined his career of infamy. In the spring of 1961, Robeson planned to visit Havana, Cuba to meet with Fidel Castro and Che Guevara. The trip never came off because Robeson fell ill in Moscow, where he had gone to give several lectures and concerts. At the time it was reported that Robeson had suffered a heart attack. But in fact Robeson had slashed his wrists in a suicide attempt after suffering hallucinations and severe depression. The symptoms came on following a suprise party thrown for him at his Moscow hotel.

Robeson's son, Paul Robeson, Jr., has investigated his father's illness for more than 30 years. He believes that his father was slipped a synthetic hallucinogen called BZ by US intelligence operatives at the party in Moscow. The party was hosted by anti-Soviet dissidents funded by the CIA.

Robeson Jr. visited his father in the hospital the day after the suicide attempt. Robeson told his son that he felt extreme paranoia and thought that the walls of the room were moving. He said he had locked himself in his bedroom and was overcome by a powerful sense of emptiness and depression before he tried to take his own life.

Robeson left Moscow for London, where he was admitted to Priory Hospital. There he was turned over to psychiatrists who forced him to endure 54 electro-shock treatments. At the time, electro-shock, in combination with psycho-active drugs, was a favored technique of CIA behavior modification. It turned out that the doctors treating Robeson in London and, later, in New York were CIA contractors.

The timing of Robeson's trip to Cuba was certainly a crucial factor. Three weeks after the Moscow party, the CIA launched its disastrous invasion of Cuba at the Bay of Pigs. It's impossible to overstate Robeson's stature at the time and his threat to the America government as a black radical. Through the 1950s Robson commanded worldwide attention and esteem. He was the Nelson Mandela and Muhammad Ali of his time. He spoke more than twenty languages, including Russian, Chinese and several African languages. Robeson was also on close terms with Nehru, Jomo Kenyatta and other Third World leaders. His embrace of Castro in Havana would have seriously undermined US efforts to overthrow the new Cuban government.

Another pressing concern for the US government at the time was Robeson's announced intentions to return to the United States and assume a leading role in the emerging civil rights movement.

**CIA-backed shrinks forced Paul Robeson to endure 54 electro-shock sessions.**

Like the family of Martin Luther King, Robeson had been under official surveilleince for decades. As early as 1935, British intelligence had been looking at Robeson's activities. In 1943, the Office of Strategic Services, World War II predecessor to the CIA, opened a file on him. In 1947, Robeson was nearly killed in a car crash. It later turned out that the left wheel of the car had been monkey-wrenched. In the 1950s, Robeson was targeted by Senator Joseph McCarthy's anti-communist hearings. The campaign effectively sabotaged his acting and singing career in the states.

Robeson never recovered from the drugging and the follow-up treatments from CIA-linked doctors and shrinks. He died in 1977. Robeson, Jr. has beem pushing the US to release classified documents regarding his father. He has already unearthed some damning stuff, including an FBI "status of health" report on Robeson created in April of 1961. "The fact that such a file was opened at all is sinister in itself", Robeson recently told the London Sunday Times. "It indicates a degree of prior knowledge that something was about to happen to him."

Robeson's case has chilling parallels to the fate of another black man who was slipped CIA-concocted hallucinogens, Sgt. James Thornwell. Thornwell was a US Army sergeant working in a NATO office in Orleans, France, in 1961 (the same year Robeson was drugged), when he came under suspicion of having stolen documents. Thornwell, who maintained his innocence, was interrogated, hypnotized and harassed by US intelligence officers.

When he persisted in proclaiming his innocence, Thornwell was secretly given LSD for several days by his interrogators, during which time he was forced to undergo aggressive questioning, replete with racial slurs and threats. At one point, the CIA men threatened "to extend the [hallucinatory] state indefinitely, even to a point of permanent insanity". The agents apparently consummated their promise. Thornwell experienced a irreversible mental crisis. He eventually committed suicide at his Maryland home. There was never any evidence that he had anything to do with the missing NATO papers. ■


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formed, it's just handling its public relations in a more sophisticated way", Ballinger says. "They've come to realize that with a few minor changes they might be able to placate some of their critics and divide-and-conquer the anti-Nike campaign." Certainly Global Exchange's bizarre shift to Nike's flack is a huge coup for the company. We will be watching how this new cooperation matures and with what perks for Global Exchange.

The person at Nike most responsible for the new spin is Maria Eitel. Eitel is the unctuous former Microsoft executive and Bush administration press official whom Knight put in charge of "human rights and labor issues". It seems Eitel has soft-talked several of Nike's former foes into believing that there is a "cultural schism" developing inside the Beaverton, Oregon-based company and that reformers are beginning to get the upper hand. Eitel has urged groups such as Global Exchange to muffle their public attacks and work with the company.

"Nike's CEO hasn't changed and neither has its labor strategy", Ballinger says. "They are going to pay their workers as little as possible. This move is merely tokenism." As evidence, he points to a comment made by a Nike manager earlier this year regarding a possible increase in the Indonesian minimum wage. "There's a concern what that could do to the market", Nike's James Small said, "whether or not Indonesia could be pricing itself out of the market". A month earlier Nike had paid $200 million to the Brazilian soccer team for an endorsement.

It is also important to understand that the meager pay increase only affects Nike shoe workers in Indonesia, not those in Vietnam or China. It's unconscionable that an outfit presumming to call itself Global Exchange should not remember this. Nike favors authoritarian regimes that can be counted on to repress the company's critics. In January, a telling memo to the Vietnamese government from Nike Vice-President Joseph Ha surfaced in the Vietnamese press. Ha warned the Vietnamese authorities that anti-Nike activists were attempting to impose a new form of government on Vietnam. Ha singled out Thuyen Nguyen, courageous head of the Vietnam Labor Watch, telling the Vietnamese that Nguyen and his group "are not friends of Vietnam".

## Nike's pet prof on out-sourcing: "You need to be ruthless."

Nike's new policy also only applies to the 70,000 shoe factory workers, not the tens of thousands toiling in the company's apparel sweatshops. "There are lots of garment workers in Indonesia", Trim Bissell, director of the Campaign for Labor Rights, tells CounterPunch. "But we don't know how many because Nike still refuses to disclose where its apparel factories are."

Meanwhile, none of Nike's factories in Indonesia permits workers to join independent unions and the company refuses to allow independent Indonesian human rights organizations to inspect its factories. Human rights dissidents and labor organizers languish in Indonesian prisons. One of the most prominent of the jailed leaders is Dita Idah Sari. Sari was arrested after she had led a demonstration calling for an increase in the minimum wage. She was convicted of "sowing hatred" and sentenced to six years in prison. Unlike Reebok, whose president has recently called on the Habibie regime to free Sari, Knight and Nike have remained silent, despite repeated pleas from American labor and human rights groups for the company to exert pressure on Sari's behalf.

Similarly, Nike refuses to fully compensate 24 Indonesian workers who were illegally fired in 1992 after leading a demonstration against brutal labor practices at the Eltri factory. In the summer of 1998, Indonesia's Supreme Court ruled that the workers had been illegally terminated and needed to be repaid their lost wages. According to Cicih Sukaesih, one of the fired workers, the company has attempted to get away with paying only 10 percent of the wages owed for the past five years.

The Eltri factory is operated by the Astra conglomerate, Nike's leading supplier in Indonesia. Astra is controlled by Indonesia's leading timber and banking tycoon, Bob Hasan. Hasan is a political intimate and golfing pal of Suharto. When Hasan acquired Astra he forked over 10 percent of the company to Nusamba Corporation, a front for Suharto. Nike's Dusty Kidd brushed aside the company's association with Hasan and Suharto, telling The Oregonian: "That's the way it works in Indonesia."

Anyone who believes that Nike has changed should scrutinize closely a speech given by Michael Spence, an academic, in Indonesia on March 24, five days after the company announced its new wage policy. Spence told the Indonesians that companies like Nike remain profitable because they use cheap labor in places such as Indonesia and Vietnam. "You don't sit in North America or Europe thinking you're doing just fine and not look around the world", Spence said. "You need to be ruthless and not tell people you can do it in-house when out-sourcing would do a better job." Spence is the Phillip H. Knight Professor of Business at Stanford University . His position is endowed by the CEO of Nike. ■

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***Inside: Albright Recruits Human Rights Groups to Support War***

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